

ORDINANCE NO. 5088

AN ORDINANCE of the City Council of the City of Bremerton, Washington, creating a Revitalization Area to be known as the Bremerton Harborside Revitalization Area pursuant to Chapter 270, laws of 2009 (Local Revitalization Financing) and repealing Ordinance No. 5052 creating the Bremerton Harborside Revenue Development Area (RDA).

WHEREAS, Chapter 270, laws of 2009 (the "Act") provided that a sponsoring local government may create a Revitalization Area within which certain specified public improvements may be financed through the allocation of certain tax revenues which increase within the area; and

WHEREAS, increased local sales/use tax revenues and property tax revenues generated from within the revitalization area, as well as additional funds from other local public sources; and a local sales/use tax that is credited against the state tax may be used for the payment of bonds which are issued to finance improvements within a Revitalization Area; and

WHEREAS, the City of Bremerton adopted by Ordinance No. 5034 a Downtown Regional Center Sub-Area Plan on December 19, 2007 which provides a long term, coordinated plan to help direct decision making affecting the ongoing revitalization and regeneration of Bremerton's downtown area. The Sub-Area Plan supports, implements, and has been formally incorporated into, the City's adopted Comprehensive Plan; and

WHEREAS, redeveloping and revitalizing downtown Bremerton promotes community and economic development. Public investment stimulates business activity and helps create jobs, stimulate the redevelopment of blighted areas in the downtown harborside area, lowers the cost of housing and promotes efficient land use.

WHEREAS, a Revitalization Area would provide significant assistance in carrying out the revitalization of downtown Bremerton and implementation of the recently adopted Downtown Regional Center Sub-Area Plan; and

WHEREAS, the Act requires the City to create a Revitalization Area, subject to provisions of the Act, to qualify for a state contribution per project up to a total amount of \$500,000.00 dollars per year; and

WHEREAS, the Act designates the City as one of seven demonstration projects in 2009 for approval by the Department of Revenue in an amount not to exceed \$330,000.00 per year; and

WHEREAS, in order to create a Revitalization Area, a sponsoring local government must adopt an ordinance consistent with the requirements of Section 104 the Act; and

WHEREAS, pursuant to Section 105 of the Act, no revitalization area may have within its geographic boundaries any part of a revenue development area created under chapter 28 39.102 RCW; and

WHEREAS, on June 4, 2008, the City passed Ordinance No. 5052 creating an RDA, however, the City's proposed projects did not receive financing under this program and therefore the RDA created pursuant to Ordinance No. 5052 must or repealed to comply with this requirement; and

WHEREAS, prior to passage of this ordinance, the City Council held a public hearing on August 19, 2009 of which was published in the Kitsap Sun, the legal newspaper of general circulation within the proposed Revitalization Area, at least ten days before the public hearing, and notice of which was posted in at least six conspicuous places located in the proposed Revitalization Area, a copy of which form of noticed is attached as **Exhibit A**; and

WHEREAS, notice in the form attached as **Exhibit B** was sent by United States mail to all taxing districts and local governments with geographic boundaries within the proposed revitalization area of the City's intent to create a revitalization area Act, incorporated herein by reference. Such notices was sent at least thirty days prior to the public hearing and included the information as required in Section 104 of the Act as evidenced by affidavits of mailing also attached as **Exhibit B**; and

WHEREAS, a certified copy of the proposed form of this ordinance was delivered to the Kitsap County Treasurer, the governing body of each participating taxing authority and participating taxing district within which the revitalization area is located, and the Department of Revenue.

WHEREAS, the City Council has heard testimony at the public hearing and carefully considered the comments and opinions presented; and

WHEREAS, the City Council finds that this Ordinance complies with the Act and that the creation of a Revitalization Area there under is in the best interest of the City of Bremerton and it's citizens;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. *Incorporation of Recitals and Exhibits.* The recitals set forth above are incorporated herein by reference as if set forth in this section in full. All Exhibits to this ordinance are incorporated herein by reference.

SECTION 2. *Repeal of RDA Boundaries.* Ordinance No. 5052 is hereby repealed.

SECTION 3. Description of Public Improvements. The public improvements currently proposed to be made in the Bremerton Harborside Revitalization Area include but are not limited to: a parking structure of approximately 175 parking spaces with a platform on top of the structure for a retail development, street and sidewalk improvements on Pacific Avenue between Burwell Street and 5th Street, and 6th Street and 11th Street, and other street and sidewalk improvements and other public “open space” improvements within the Revitalization Area. Private development on the parking plaza and adjacent retail plaza contemplates a mixture of retail uses including food services, specialty retail, entertainment, wine bar and possible multiple stadium seating theatre. Total retail square footage will likely range between 45,000 and 80,000 square feet. The improvements and expenditures will additionally include professional management as authorized by the Act, promote revitalization in the revitalization area and provide maintenance and security.

SECTION 4. Description of Bremerton Harborside Revitalization Area Boundaries. The City Council hereby adopts that area the boundaries of the Bremerton Harborside Revitalization Area as depicted in **Exhibit C**.

SECTION 5. Estimates of Cost. The current estimated cost of the Public Improvements is approximately \$11.0 million in 2009 dollars, and the current estimate for private development on the site is between \$10.0 million and \$16.0 million.

SECTION 6. Time of Tax and Revenue Collection. The estimated time during which local excise tax allocation revenues, local property tax allocation revenues, and other revenues from local public sources to be used as part of the local infrastructure financing for the Bremerton Harborside RDA is 25 years after the local option sales tax (which is credited against the state sales tax) is first imposed.

SECTION 7. Date for Commencement of Use of Revenues. City use of local property tax allocation revenues with respect to the Bremerton Harborside Revitalization Area is anticipated to commence on January 1, 2010.

SECTION 8. Taxing Districts. The taxing districts that have not adopted an ordinance as described in section 106 of the Act to be removed as a participating taxing district is set forth in **Exhibit D**.

SECTION 9. Anticipated Rate of Sales and Use Tax Imposed. The anticipated rate of sales and use tax under section 601 of this act that the city will impose if awarded a state contribution under section 401 of this act is .051%.

SECTION 10. Date Criteria for Sales and Use Tax met. The anticipated date when the criteria for the sales and use tax in section 601 of this act will be met and the anticipated date when the sales and use tax in section 601 of this act will be imposed is September 1, 2012.

SECTION 11. Findings Required by Section 103 of the Act. The City Council finds and determines that the conditions of Section 103 of the Act are met with respect to the

Bremerton Harborside Revitalization Area. Specifically, the City Council finds and determines that:

(a) The Public Improvements are expected to stimulate business activity and help create jobs, stimulate the redevelopment of blighted areas in the downtown and Harborside area, lower the cost of housing and promote efficient land use as well as encourage private development and increase property values within the Bremerton Harborside Revitalization Area.

(b) The City has received letters of intent from private developers that plan to undertake private improvements on the site and within the Bremerton Harborside Revitalization Area. The agreement is between the City of Bremerton and Opus NW along with the anticipated LLP partners and property developers within the Bremerton Harborside Revitalization Area and surrounding area.

(c) Private development that is anticipated to occur within the Bremerton Harborside Revitalization Area, as a result of the public improvements will be consistent with the countywide planning policy adopted by Kitsap County under RCW 36.70A.210 and the City Comprehensive Plan and development regulations adopted under Chapter 36.70A RCW;

(d) No funds will be used to finance, design, acquire, construct, equip, operate, maintain, remodel, repair, or reequip public facilities funded with taxes collected under RCW 82.14.048 or RCW 82.14.390;

(e) The local infrastructure financing with respect to the Bremerton Harborside Revitalization Area;

(i) is not expected to be used for the purpose of relocating a business from outside the Revitalization Area but within Washington State, into the Revitalization Area unless convincing evidence is provided that the firm being relocated would otherwise leave the state;

(ii) will improve the viability of existing business entities within the Bremerton Harborside Revitalization Area; and

(iii) will only be used in the Bremerton Harborside Revitalization Area, which is an area deemed by the City to be in need of economic development or redevelopment and is within City boundaries and absent the financing available under this chapter and sections 601 and 602 of this act the proposed economic development or redevelopment would more than likely not occur;

(f) The Public Improvements are reasonably likely to;

(i) increase private residential and commercial investment with the Bremerton Harborside Revitalization Area;

(ii) increase employment with in the Bremerton Harborside Revitalization Area; and


(iii) generate, over the period of time that local option sales and use taxes will be imposed under Section 601 of the Act, state excise tax allocation revenues and state property tax allocation revenues (as defined in the Act) derived from the Bremerton Harborside Revitalization Area that are equal to or greater than the respective state contributions made under the Act; and

SECTION 12. General Authorization. The Mayor and other appropriate City officers are each hereby authorized and directed to do such things as may be necessary and appropriate in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

SECTION 13. Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 14. Effective Date. This ordinance shall take effect and be in force ten (10) days from and after its passage, approval and publication as provided by law.

PASSED by the City Council the 19th day of August, 2009


CECIL McCONNELL, Council President

Approved this 19th day of August, 2009


CECIL McCONNELL, Mayor Pro Tem

ATTEST:


CAROL ETGEN, City Clerk

APPROVED AS TO FORM:


ROGER A. LUBOVICH, City Attorney

PUBLISHED the 21st day of August, 2009
EFFECTIVE the 31st day of August, 2009
ORDINANCE NO. 5088

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Notice of Public Hearing

Intent to Create a Revitalization Area Pursuant to Substitute Senate Bill 5045

The City of Bremerton will hold a public hearing to receive public comment related to the creation of a Revitalization Area on August 19, 2009, which is the earliest date on which the City intends to adopt an ordinance creating the Revitalization Area. The public hearing will be held in the City of Bremerton City Council chambers located at 345 6th Street, Bremerton at 5:30 p.m.

The City intends to form a revitalization area under the provisions of Substitute Senate Bill 5045 (the "Act"), to be known as the "Bremerton Harborside Revitalization Area". The Act does not increase taxes to citizens—it merely reallocates the incremental increases in existing taxes that result from the improvements planned in the Revitalization Area.

The contemplated improvements in the Revitalization Area, and the estimated costs, include but are not limited to the following: a parking structure of approximately 175 parking spaces with a platform on top of the structure for a retail development to be located at the northeast corner of Burwell Street and Park Street (approximately \$6.0 million), street and sidewalk improvements on Pacific Avenue between Burwell Street and 5th Street (approximately \$750,000), street and sidewalk improvements on Pacific Avenue between 6th Street and 11th Street (approximately \$3.5 million). Additionally, street and sidewalk improvements and other public "open space" improvements within the Revitalization Area may be completed if adequate funding is available.

The estimated portion of the costs of the public improvements to be borne by local revitalization financing is estimated to be about \$13.0 million, approximately \$5.5 million of which is expected to be funded by a state contribution under the act. Other sources of funding include but are not limited to Federal Surface Transportation Program funds (approximately \$3.0 million) and Downtown Project funding (approximately \$400,000). The act requires that the state contribution be used to repay bonds. Therefore, the City anticipates issuing approximately \$5.5 million of bonds to be repaid with the state contribution, and the maximum amount of bonds that may be issued and repaid with local revitalization financing is not more than \$13.0 million.

The boundaries of the proposed Revitalization Area are shown on the attached map. The legal description is as follows: From the southeastern most corner of public right-of-way at the Pacific Avenue and Burwell Street intersection, extending west to the Southwestern most corner of public right-of-way at the intersection of Warren Avenue and Burwell Street, extending north to the northwestern most corner of public right-of-way at the intersection of Warren Avenue and 5th Street, extending east to the alley on the west side of the Admiral Theatre, extending north along the Admiral Theatre property line, then west to the western boundary of the private parking lot, then north through 6th Street to northern most boundary of public right-of-way on 7th Street, extending east to the alley located west of the properties located on the west side of Pacific Avenue, then north along the alley to the northern most boundary of public right-of-way on 11th Street, extending east to the northeastern most boundary of public right-of-way at the intersection of 11th Street and Pacific Avenue, then extending south along the eastern edge of public right-of-way on Pacific Avenue to the Southeastern corner of Burwell Street and Pacific Avenue..

The City estimates utilizing local revitalization financing in the Revitalization Area for up to twenty-five years after the local option sales tax (which is credited against the state sales tax) is first imposed.

For additional information you may contact Andy Parks, Director of Financial Services, City of Bremerton, at 360.473.5722 or andy.parks@ci.bremerton.wa.us.

CERTIFICATION OF MAILING

I, Cherie Henry, Deputy City Clerk in the City Clerk's Office of the City of Bremerton, do hereby certify that on the 13th day of July, 2009, I placed a Notice of Public Hearing – Intent to Create a Revitalization Area, in a United States Mailbox for collection and delivery by the postal authorities to the following:

Cary Bozeman, Chief Executive Officer
Port of Bremerton
8850 SW State Hwy #3
Port Orchard, WA 98367

Department of Revenue
Attn: Miki Gearhard, Tax Specialist
P.O. Box 47476
Olympia, WA 98504-7476

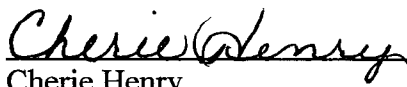
Kitsap County Treasurer
Attn: Barabara Stephenson, Treasurer
614 Division Street, MS-32
Port Orchard, WA 98366

Bremerton School District
Attn: Lester Herndon, Superintendent
134 Marion Avenue N
Bremerton, Washington 98312

Kitsap Regional Library
Attn: Jill Jean, Library Director
Administrative Offices
1301 Sylvan Way
Bremerton, WA 98310

Kitsap Public Utility District
Attn: David Siburg, General Manager
1431 NW Finn Hill Rd
P O Box 1989
Poulsbo, WA 98370

DATED at Bremerton, Washington this 13th day of July, 2009.


Cherie Henry
Deputy City Clerk

CERTIFICATION OF MAILING


I, Cherie Henry, Deputy City Clerk in the City Clerk's Office of the City of Bremerton, do hereby certify that on the 16th day of July, 2009, I placed a Notice of Public Hearing – Intent to Create a Revitalization Area, in a United States Mailbox for collection and delivery by the postal authorities to the following:

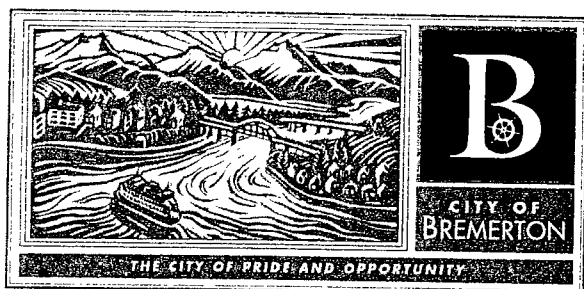
Kitsap Transit
Attn: Richard Hayes, Executive Director
60 Washington Avenue, Suite 200
Bremerton, WA 98337

Kitsap County
Attn: Nancy Buonanno Grennan, County Administrator
614 Division Street, MS-4
Port Orchard, WA 98366

Kitsap Board of Commissioners
Attn: Charlotte Garrido, Chair
614 Division Street, MS-4
Port Orchard, WA 98366

DATED at Bremerton, Washington this 16th day of July, 2009.


Cherie Henry
Deputy City Clerk



DEPARTMENT OF FINANCIAL SERVICES

July 10, 2009

Cary Bozeman, Chief Executive Officer
 Port of Bremerton
 8850 SW State Highway #3
 Port Orchard, Washington 98367

Re: Notice of Public Hearing – Intent to Create a Revitalization Area

Dear Mr. Bozeman:

The City Council of the City of Bremerton, Washington, intends to create the Bremerton Harborside Revitalization Area pursuant to Chapter 270, laws of 2009 (Local Revitalization Financing). The Council will hold a public hearing August 19, 2009 at 5:30 pm in the Council Chambers located at the Norm Dicks Government Center, 345 6th Street, Bremerton, Washington to receive testimony on the creation of the revitalization area.

In addition to the public hearing, it is anticipated the City Council may take action with respect to the ordinance to create the Bremerton Harborside Revitalization Area at its August 19, 2009 Council meeting after the public hearing.

The program allows certain increases in local sales and use tax revenue, and local property tax revenues generated from within the revitalization area, additional funds from other local public sources, and a state contribution to be used for payment of bonds issued for financing local public improvements within the revitalization area.

The Revitalization Area to be considered will not exceed the area as identified on the attached map. The area may be smaller dependent on analysis of technical and other information prior to finalization of the ordinance.

If you have questions or comments or would like to mail a copy of an ordinance adopted by your agency under sections 105 and 106 of the Local Revitalization Financing Act please use the following contact information. You can obtain additional information from the Department of Revenue website at <http://dor.wa.gov/content/doingbusiness/localrevitalizationfinancing.aspx>:

Sincerely,

A. Andrew Parks
 Director of Financial Services
 345 6th Street, Suite 600
 Bremerton, Washington 98337-1873
 360.473.5722
andy.parks@ci.bremerton.wa.us

CERTIFICATION OF MAILING

I, Cherie Henry, Deputy City Clerk in the City Clerk's Office of the City of Bremerton, do hereby certify that on the 29th day of July, 2009, I placed a Supplemental Notice of Public Hearing – Intent to Create a Revitalization Area, in a United States Mailbox for collection and delivery by the postal authorities to the following:

Cary Bozeman, Chief Executive Officer
Port of Bremerton
8850 SW State Hwy #3
Port Orchard, WA 98367

Kitsap Transit
Attn: Richard Hayes, Executive Director
60 Washington Avenue, Suite 200
Bremerton, WA 98337

Washington State Department of Revenue
Attn: Miki Gearhard, Tax Specialist
P.O. Box 47476
Olympia, WA 98504-7476

Kitsap County
Attn: Nancy Buonanno Grennan,
County Administrator
614 Division Street, MS-4
Port Orchard, WA 98366

Kitsap County Treasurer
Attn: Barbara Stephenson, Treasurer
614 Division Street, MS-32
Port Orchard, WA 98366

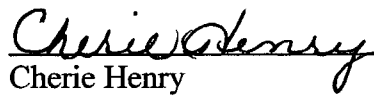
Kitsap County Board of Commissioners
Attn: Charlotte Garrido, Chair
614 Division Street, MS-4
Port Orchard, WA 98366

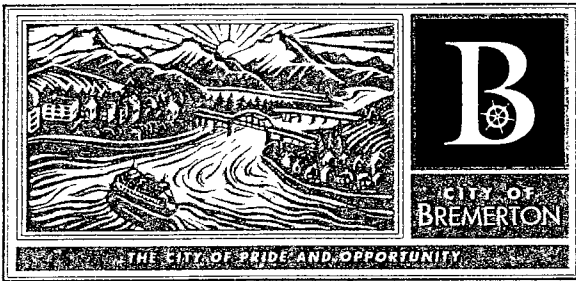
Bremerton School District
Attn: Lester Herndon, Superintendent
134 Marion Avenue N
Bremerton, Washington 98312

Kitsap Regional Library
Attn: Jill Jean, Director
1301 Sylvan Way
Bremerton, WA 98310

Kitsap Public Utility District #1
Attn: David Siburg, General Manager
P O Box 1989
Poulsbo, WA 98370

DATED at Bremerton, Washington this 29th day of July, 2009.


Cherie Henry
Deputy City Clerk



DEPARTMENT OF FINANCIAL SERVICES

July 28, 2009



Cary Bozeman, Chief Executive Officer
 Port of Bremerton
 8850 SW State Highway #3
 Port Orchard, Washington 98367

Re: Supplemental Notice of Public Hearing – Intent to Create a Revitalization Area

Dear Mr. Bozeman:

By Notice dated July 10, 2009, the City of Bremerton provided you with notice that the City Council of the City of Bremerton, Washington, intends to create the Bremerton Harborside Revitalization Area pursuant to Chapter 270, laws of 2009 (Local Revitalization Financing Act). The Council will hold a public hearing August 19, 2009 at 5:30 pm in the Council Chambers located at the Norm Dicks Government Center, 345 6th Street, Bremerton, Washington to receive testimony on the creation of the revitalization area.

The purpose of this Supplemental Notice is to inform you that in connection with the revitalization area, the City intends to incur general indebtedness, and issue up to \$11 million of general obligation bonds, to finance the public improvements within the Revitalization Area, and retire the indebtedness in whole or in part from local revitalization financing it receives, all as permitted by the Local Revitalization Financing Act).

If you have questions or comments or would like to mail a copy of an ordinance adopted by your agency under sections 105 and 106 of the Local Revitalization Financing Act please use the following contact information. You can obtain additional information from the Department of Revenue website at <http://dor.wa.gov/content/doingbusiness/localrevitalizationfinancing.aspx>:

Sincerely,

A. Andrew Parks
 Director of Financial Services
 345 6th Street, Suite 600
 Bremerton, Washington 98337-1873
 360.473.5722
andy.parks@ci.bremerton.wa.us

Bremerton Harborside Revitalization Area

Legend

 Revitalization Area

This map was developed for general land use planning purposes. The user of this map must assume responsibility for determining its suitability for other purposes.
Map created: July 20, 2009
Author: Lindsey Sehmel



Exhibit C

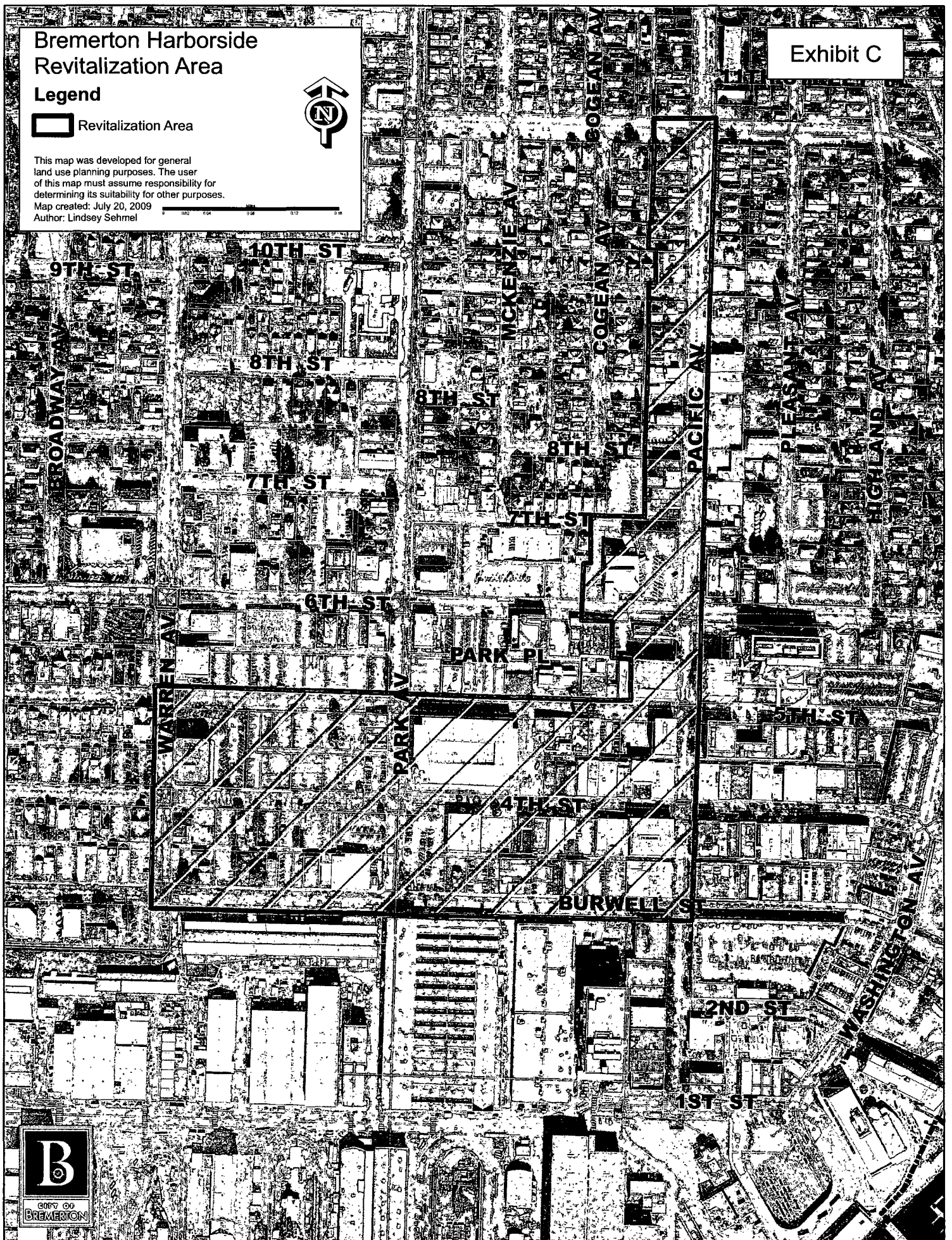


Exhibit D

The taxing districts that have not adopted an ordinance as described in Section 106, Chapter 270, laws of 2009 to be removed as a participating taxing district are:

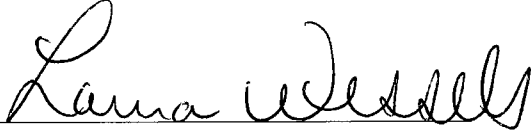
- Port of Bremerton
- Bremerton School District
- Kitsap Regional Library
- Kitsap Public Utility District
- Kitsap Transit

AFFIDAVIT OF PUBLICATION

Account # 42742 AD# 251816

STATE OF WASHINGTON
COUNTY OF KITSAP

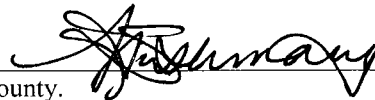
I, Laura Wessels, being first duly sworn on oath, deposes and says: That she is now, and at all times embraced in the publication herein mentioned was the principal clerk of the printers and publishers of KITSAP SUN; that said newspaper has been approved as a legal newspaper by order of the Superior Court of the County of Kitsap, in which County it is published and is now and has been for more than six months prior to the date of the publication hereinafter referred to, published in the English language continually as a daily newspaper in Bremerton, Kitsap County, Washington, a weekly newspaper in Kitsap County, Washington and is now and during all of said time, was printed in an office maintained in the aforesaid place of publication of said newspaper; that the following is a true text of an advertisement as it was published in regular issues (and not in supplement form) of said newspaper on the following date, to wit: August 21, 2009 and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is the sum of \$43.26. This amount has not been paid in full.



(Signature of Principal Clerk)

Subscribed and sworn to before me this day of August 31, 2009.

Notary Public in and for the State of Washington, Kitsap County.





ORDINANCE NO. 5088

AN ORDINANCE of the City Council of the City of Bremerton, Washington, creating a Revitalization Area to be known as the Bremerton Harborside Revitalization Area pursuant to Chapter 270, laws of 2009 (Local Revitalization Financing) and repealing Ordinance No. 5052 creating the Bremerton Harborside Revenue Development Area (RDA).

PASSED by the City Council the 19th day of August, 2009.

The full text of this ordinance is available from the City Clerk's office, 345 Sixth Street, Suite 600, Bremerton, WA 98337.

August 21, 2009.....AD 20090937